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Message Text

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72
ORIGIN EB-03

INFO OCT-01 EA-06 ISO-00 EUR-08 AF-04 /022 R

66619
DRAFTED BY EB/TT/MA/SVSMITH
APPROVED BY EB/TT/MA:RKBANK
EA/PHL:RWILLNER
---------- 000426
R 191748Z MAR 75
FM SECSTATE WASHDC
TO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY LONDON
AMEMBASSY MONROVIA
AMEMBASSY OSLO
AMEMBASSY PANAMA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY HELSINKI
AMEMBASSY ATHENS
INFO USMISSION EC BRUSSELS
USMISSION OECD PARIS

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FOLLOWING REPEAT MANILA 2937 ACTION SECSTATE MAR 7

QUOTE

LIMITED OFFICIAL USE MANILA 2937

E O 11652: N/A
TAGS: EWWT, EEWT, ETRD, RP
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SUBJ: GOP ENCOURAGES USE OF PHILIPPINE BOTTOMS VIA TAX ADVANTAGES

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1. PRESS REPORTS, AND MALACANANG PRESS OFFICE CONFIRMS, THAT PRESIDENT MARCOS SIGNED MARCH 5 THREE DECREES AIMED AT DEVELOPING SHIPPING INDUSTRY AND ENCOURAGING THE USE OF PHILIPPINE FLAG CARRIERS. DECREE OF MAIN IMPORTANCE AND SIGNIFICANCE FOR U.S. SHIPPING WOULD PERMIT EXPORTERS OF PHILIPPINE PRODUCTS, AS WELL AS IMPORTERS OF RAW MATERIALS AND INTERMEDIATES, TO DEDUCT FROM THEIR TAXABLE INCOMES AN AMOUNT EQUIVALENT TO 150 PERCENT OF OVERSEAS FREIGHT EXPENSES AND ARRASTRE CHARGES INCURRED IN SHIPPING THOSE PRODUCTS, PROVIDED THEY USE PHILIPPINE FLAG CARRIERS. ENTERPRISES REGISTERED WITH BOI WILL BE ALLOWED TO DEDUCT 200 PERCENT REPEAT 200 PERCENT.

2. SECOND DECREE SIMPLIFIES PROCEDURES UNDER WHICH OWNERS OR OCEAN-GOING VESSELS CAN OBTAIN FOREIGN EXCHANGE FOR THEIR MAINTENANCE AND OPERATIONS. THIRD DECREE PERMITS BUREAU OF POSTS TO PAY DOMESTIC SHIPPING COMPANIES FOR CARRIAGE OF DOMESTIC MAIL WHICH HITHERTO PROVIDED AT NO COST UNDER 1917 LAW.

3. WE ENDEAVORING OBTAIN TEXTS OF DECREES FROM MALACANANG WHICH, AS IS PRACTICE HERE, WILL NOT BE AVAILABLE UNTIL LATER NEXT WEEK.

4. COMMENT. DECREE IS CLEARLY DISCRIMINATORY, AND PERHAPS PERVERSELY SHIPPING MOST LIKELY TO BE ADVERSELY AFFECTED IN LONG RUN WOULD BE THIRD FLAG VESSELS, PARTICULARLY SOVIET SHIPPING WHICH GOP HAD BEEN PROMOTING (MANILA A-71 AND PREVIOUS). LOCAL OFFICES OF U.S. SHIPPING COMPANIES ALSO, INTERESTINGLY ENOUGH, SEE DECREE AS MEANS OF BLOCKING SOVIETS AND OTHER THIRD FLAGGERS, AND ARE CONSIDERING GETTING TOGETHER TO PUSH FOR A BILATERAL US/PHIL AGREEMENT, THAT IS, TO PERMIT TAX ADVANTAGE TO PHILIPPINE EXPORTER/IMPORTER IF HE USES NATIONAL CARRIER OR U.S. CARRIER. WE ARE DISCOURAGING THIS APPROACH ON GROUND OF INCONSISTENCY WITH U.S. POLICY. SULLIVAN UNQUOTE INGERSOLL

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARITIME LAW, MARINE TRANSPORTATION, TAX RELIEF
Control Number: n/a
Copy: SINGLE
Draft Date: 19 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: TT/MA/SVSMITH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750096-0527
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750335/aaaabfpg.tel
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
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Review Media Identifier:
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Review Release Date: n/a
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Secure: OPEN
Status: NATIVE
Subject: GOP ENCOURAGES USE OF PHILIPPINE BOTTOMS VIA TAX ADVANTAGES
TAGS: EWWT, EEWT, ETRD, RP
To: BONN MULTIPLE
Type: TE
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